

MEMORANDUM TO: Chairman, Projects Review Committee

FROM : Assistant Director, Reports & Estimates

SUBJECT : Request for Funds for Munitions Board Petroleum Committee in Support of Petroleum Intelligence Production for the National Intelligence Survey.

REFERENCE : (a) Memorandum from DCI to the Chairman, Munitions Board, Subject: Petroleum Intelligence Production for NIS, dated 16 Aug 1949.

(b) Reply to reference (a), same subject, dated 10 Oct 1949.

1. Reference (a) requested Munitions Board Petroleum Committee (MPG) to give consideration to a proposal to furnish intelligence support in its field to the NIS Program. The reply to this request, reference (b), indicated acceptance of this proposal provided additional funds were made available for recruitment of nine civilian personnel.

2. The MPG estimated the annual salaries of the civilian personnel to be approximately [REDACTED]. This estimate is to be reviewed and revised if necessary at the end of six months' operations. Since there are only 8½ months remaining in this fiscal year, and recruitment of personnel will be extended for several months, it is considered that [REDACTED] will meet the financial requirements of MPG until 30 June 1950.

3. It is the intention of the Intelligence Agencies to allocate production of petroleum intelligence for the NIS to the MPG. If funds are immediately made available for this commitment, the MPG should be ready in all respects to meet NIS production requirements beginning 1 July 1950. At this time the CIA financial support to Bureau of Mines, Department of the Interior, for production of NIS petroleum Sections 63C would be withdrawn.

4. The IAC Agencies are already hard pressed financially to meet existing commitments to the NIS Program.

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5. In view of the foregoing, it is recommended that CIA allocate [REDACTED] to the MPG for Fiscal Year 1950 in order to augment the civilian staff and

thus enable the MPFC to start furnishing petroleum intelligence support for the NIS.

6. It is the opinion of this office that considerably more funds will be required by the MPFC for Fiscal Year 1951 in the discharge of this production responsibility. Provision has been made in the CIA Budget for Fiscal Year 1951 for this purpose.

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Enclosure:

Copies of references (a) and (b).

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